

Adopted	Rejected
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COMMITTEE REPORT

YES:	9
NO:	3

MR. SPEAKER:

*Your Committee on Labor and Employment, to which was referred House Bill 1721, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning labor
- 3 and safety and to make an appropriation.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 2-5-30 IS ADDED TO THE INDIANA CODE AS
- 6 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
- 7 1, 2009]:
- 8 **Chapter 30. Unemployment Insurance Solvency Advisory**
- 9 **Committee**
- 10 **Sec. 1. As used in this chapter, "committee" refers to the**
- 11 **unemployment insurance solvency advisory committee established**
- 12 **by section 3 of this chapter.**
- 13 **Sec. 2. As used in this chapter, "fund" refers to the**
- 14 **unemployment insurance benefit fund established by IC 22-4-26-1.**
- 15 **Sec. 3. The unemployment insurance solvency advisory**

1 committee is established.

2 Sec. 4. (a) The committee shall do all of the following:

3 (1) Monitor the solvency of the fund.

4 (2) Make recommendations of improvements to increase the
5 solvency of the fund.

6 (3) Make a report annually to the legislative council
7 concerning the solvency of the fund. The report must be in an
8 electronic format under IC 5-14-6.

9 (4) Study and make recommendations concerning approaches
10 taken by other states to improve the solvency of
11 unemployment insurance benefit trust funds, including the
12 indexing of:

13 (A) unemployment benefits; and

14 (B) the taxable wage base.

15 (b) A committee recommendation does not take effect unless
16 enacted by the general assembly.

17 Sec. 5. (a) The committee consists of the following members:

18 (1) Two (2) members of the house of representatives
19 appointed by the speaker of the house of representatives. The
20 members appointed under this subdivision may be members
21 of the same political party.

22 (2) One (1) member of the house of representatives appointed
23 by the minority leader of the house of representatives.

24 (3) Two (2) members appointed by the speaker of the house of
25 representatives as follows:

26 (A) One (1) member who is a member of the Indiana State
27 AFL-CIO.

28 (B) One (1) member who is a member of a labor
29 organization not affiliated with the Indiana State
30 AFL-CIO.

31 (4) Two (2) members of the senate appointed by the president
32 pro tempore of the senate. The members appointed under this
33 subdivision may be members of the same political party.

34 (5) One (1) member of the senate appointed by the minority
35 leader of the senate.

36 (6) Two (2) members appointed by the president pro tempore
37 of the senate as follows:

38 (A) One (1) member representing large employers in the

1 state.

2 (B) One (1) member representing small employers in the
3 state.

4 (7) The commissioner, or the commissioner's designee, who
5 serves as an ex-officio nonvoting member.

6 (b) If a vacancy on the committee occurs, the person who
7 appointed the member whose position is vacant shall appoint an
8 individual to fill the vacancy using the criteria in subsection (a).

9 (c) The speaker of the house of representatives shall appoint one
10 (1) of the members appointed by the speaker as a cochair of the
11 committee. The president pro tempore of the senate shall appoint
12 one (1) of the members appointed by the president as a cochair of
13 the committee.

14 Sec. 6. (a) The legislative services agency shall provide
15 administrative support for the committee. At the request of the
16 legislative services agency, the department of workforce
17 development established by IC 22-4.1-2-1 shall assign staff to
18 provide research and other support to assist the legislative services
19 agency in providing administrative support to the committee.

20 (b) There is annually appropriated to the legislative services
21 agency from the state general fund money necessary for the
22 operation of the committee.

23 Sec. 7. Six (6) committee members constitute a quorum. The
24 affirmative votes of at least six (6) committee members are
25 necessary for the committee to take official action.

26 Sec. 8. The committee shall meet at the call of both cochairs and
27 at other times as the committee considers necessary.

28 Sec. 9. (a) Each member of the committee who is not a state
29 employee or is not a member of the general assembly is entitled to
30 the following:

31 (1) The salary per diem provided under IC 4-10-11-2.1(b).

32 (2) Reimbursement for traveling expenses as provided under
33 IC 4-13-1-4.

34 (3) Other expenses actually incurred in connection with the
35 member's duties as provided in the state policies and
36 procedures established by the Indiana department of
37 administration and approved by the budget agency.

38 (b) Each member of the committee who is a state employee but

1 **not a member of the general assembly is entitled to the following:**

2 **(1) Reimbursement for traveling expenses as provided under**
 3 **IC 4-13-1-4.**

4 **(2) Other expenses actually incurred in connection with the**
 5 **member's duties as provided in the state policies and**
 6 **procedures established by the Indiana department of**
 7 **administration and approved by the budget agency.**

8 **(c) Each member of the committee who is a member of the**
 9 **general assembly is entitled to the same:**

10 **(1) per diem;**

11 **(2) mileage; and**

12 **(3) travel allowances;**

13 **paid to legislative members of interim study committees**
 14 **established by the legislative council.**

15 SECTION 2. IC 22-4-4-2, AS AMENDED BY P.L.98-2005,
 16 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2009]: Sec. 2. (a) Except as otherwise provided in this section,
 18 "wages" means all remuneration as defined in section 1 of this chapter
 19 paid to an individual by an employer, remuneration received as tips or
 20 gratuities in accordance with Sections 3301 and 3102 et seq. of the
 21 Internal Revenue Code, and includes all remuneration considered as
 22 wages under Sections 3301 and 3102 et seq. of the Internal Revenue
 23 Code. However, the term shall not include any amounts paid as
 24 compensation for services specifically excluded by IC 22-4-8-3 or
 25 IC 22-4-8-3.5 from the definition of employment as defined in
 26 IC 22-4-8-1 and IC 22-4-8-2. The term shall include, but not be limited
 27 to, any payments made by an employer to an employee or former
 28 employee, under order of the National Labor Relations Board, or a
 29 successor thereto, or agency named to perform the duties thereof, as
 30 additional pay, back pay, or for loss of employment, or any such
 31 payments made in accordance with an agreement made and entered
 32 into by an employer, a union, and the National Labor Relations Board.

33 (b) The term "wages" shall not include the following:

34 (1) That part of remuneration which, after remuneration equal to:

35 **(A) seven thousand dollars (\$7,000), has been paid in a**
 36 **calendar year to an individual by an employer or his the**
 37 **employer's predecessor with respect to employment during**
 38 **any calendar year subsequent to that begins after December**

31, 1982, and before January 1, 2010; or

(B) nine thousand dollars (\$9,000), has been paid in a calendar year to an individual by an employer or the employer's predecessor for employment during a calendar year that begins after December 31, 2009;

unless that part of the remuneration is subject to a tax under a federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund. For the purposes of this subdivision, the term "employment" shall include service constituting employment under any employment security law of any state or of the federal government. However, nothing in this subdivision shall be taken as an approval or disapproval of any related federal legislation.

(2) The amount of any payment (including any amount paid by an employer for insurance or annuities or into a fund to provide for any such payment) made to, or on behalf of, an individual or any of the individual's dependents under a plan or system established by an employer which makes provision generally for individuals performing service for it (or for such individuals generally and their dependents) or for a class or classes of such individuals (or for a class or classes of such individuals and their dependents) on account of:

(A) retirement;

(B) sickness or accident disability;

(C) medical or hospitalization expenses in connection with sickness or accident disability; or

(D) death.

(3) The amount of any payment made by an employer to an individual performing service for it (including any amount paid by an employer for insurance or annuities or into a fund to provide for any such payment) on account of retirement.

(4) The amount of any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability made by an employer to, or on behalf of, an individual performing services for it and after the expiration of six (6) calendar months following the last calendar month in which the individual performed services for such employer.

(5) The amount of any payment made by an employer to, or on behalf of, an individual performing services for it or to the individual's beneficiary:

(A) from or to a trust exempt from tax under Section 401(a) of the Internal Revenue Code at the time of such payment unless such payment is made to an individual performing services for the trust as remuneration for such services and not as a beneficiary of the trust; or

(B) under or to an annuity plan which, at the time of such payments, meets the requirements of Section 401(a)(3), 401(a)(4), 401(a)(5), and 401(a)(6) of the Internal Revenue Code.

(6) Remuneration paid in any medium other than cash to an individual for service not in the course of the employer's trade or business.

(7) The amount of any payment (other than vacation or sick pay) made to an individual after the month in which the individual attains the age of sixty-five (65) if the individual did not perform services for the employer in the period for which such payment is made.

(8) The payment by an employer (without deduction from the remuneration of the employee) of the tax imposed upon an employee under Sections 3101 et seq. of the Internal Revenue Code (Federal Insurance Contributions Act).

SECTION 3. IC 22-4-10-3, AS AMENDED BY P.L.108-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. Except as provided in section 1(b) through 1(e) of this chapter, each employer shall pay contributions equal to five and six-tenths percent (5.6%) of wages, except as otherwise provided in IC 22-4-11-2, IC 22-4-11-3, **IC 22-4-11-3.5**, IC 22-4-11.5, and IC 22-4-37-3.

SECTION 4. IC 22-4-10-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 4.5. (a) This section applies to an employer:**

(1) that is subject to this article for wages paid during calendar year 2009; and

(2) whose contribution rate for calendar year 2009 was determined under this chapter, IC 22-4-11, IC 22-4-11.5, or

1 **IC 22-4-37-3.**

2 **(b) In addition to the contributions determined under this**
 3 **chapter or IC 22-4-11.5, each employer shall pay an unemployment**
 4 **insurance surcharge that is computed by multiplying the**
 5 **employer's taxable wages for calendar year 2009 by three-tenths**
 6 **of one percent (0.3%).**

7 **(c) The unemployment insurance surcharge computed under**
 8 **subsection (b) is payable to the department in two (2) equal**
 9 **installments as follows:**

10 **(1) The first installment is payable not later than the last**
 11 **business day of the second calendar quarter of 2009.**

12 **(2) The second installment is payable not later than the last**
 13 **business day of the third calendar quarter of 2009.**

14 **(d) The department shall:**

15 **(1) use the amounts received under this section to repay the**
 16 **advances, including interest on the advances, made to the**
 17 **state from the federal unemployment account in the federal**
 18 **unemployment trust fund under 42 U.S.C. 1321; and**

19 **(2) deposit the remaining amounts in the unemployment**
 20 **insurance benefit fund established under IC 22-4-26.**

21 **(e) The amounts paid under this section do not affect and may**
 22 **not be charged to the experience account of any employer.**

23 **(f) This section expires on January 1, 2010.**

24 **SECTION 5. IC 22-4-11-2, AS AMENDED BY P.L.108-2006,**
 25 **SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
 26 **JULY 1, 2009]: Sec. 2. (a) Except as provided in IC 22-4-11.5, the**
 27 **department shall for each year determine the contribution rate**
 28 **applicable to each employer.**

29 **(b) The balance shall include contributions with respect to the**
 30 **period ending on the computation date and actually paid on or before**
 31 **July 31 immediately following the computation date and benefits**
 32 **actually paid on or before the computation date and shall also include**
 33 **any voluntary payments made in accordance with IC 22-4-10-5:**

34 **(1) for each calendar year, an employer's rate shall be determined**
 35 **in accordance with the rate schedules in section 3, ~~or~~ 3.3, or 3.5**
 36 **of this chapter; and**

37 **(2) for each calendar year, an employer's rate shall be two and**
 38 **seven-tenths percent (2.7%), except as otherwise provided in**

1 IC 22-4-37-3, unless and until:

2 (A) the employer has been subject to this article throughout
3 the thirty-six (36) consecutive calendar months immediately
4 preceding the computation date; and

5 (B) there has been some annual payroll in each of the three (3)
6 twelve (12) month periods immediately preceding the
7 computation date.

8 **(c) This subsection applies before January 1, 2010.** In addition to
9 the conditions and requirements set forth and provided in subsection
10 (b)(2)(A) and (b)(2)(B), an employer's rate shall not be less than five
11 and six-tenths percent (5.6%) unless all required contribution and wage
12 reports have been filed within thirty-one (31) days following the
13 computation date and all contributions, penalties, and interest due and
14 owing by the employer or the employer's predecessors for periods prior
15 to and including the computation date have been paid:

16 (1) within thirty-one (31) days following the computation date; or

17 (2) within ten (10) days after the department has given the
18 employer a written notice by registered mail to the employer's last
19 known address of:

20 (A) the delinquency; or

21 (B) failure to file the reports;

22 whichever is the later date.

23 The board or the board's designee may waive the imposition of rates
24 under this subsection if the board finds the employer's failure to meet
25 the deadlines was for excusable cause. The department shall give
26 written notice to the employer before this additional condition or
27 requirement shall apply.

28 **(d) This subsection applies after December 31, 2009.** In addition
29 to the conditions and requirements set forth and provided in
30 subsection (b)(2)(A) and (b)(2)(B), an employer's rate shall not be
31 less than eight and two-tenths percent (8.2%) unless all required
32 contribution and wage reports have been filed within thirty-one
33 (31) days following the computation date and all contributions,
34 penalties, and interest due and owing by the employer or the
35 employer's predecessors for periods prior to and including the
36 computation date have been paid:

37 (1) within thirty-one (31) days following the computation
38 date; or

(2) within ten (10) days after the department has given the employer a written notice by registered mail to the employer's last known address of:

(A) the delinquency; or

(B) failure to file the reports;

whichever is the later date.

The board or the board's designee may waive the imposition of rates under this subsection if the board finds the employer's failure to meet the deadlines was for excusable cause. The department shall give written notice to the employer before this additional condition or requirement shall apply.

~~(d)~~ **(e)** However, if the employer is the state or a political subdivision of the state or any instrumentality of a state or a political subdivision, or any instrumentality which is wholly owned by the state and one (1) or more other states or political subdivisions, the employer may contribute at a rate of:

(1) one percent (1%), before January 1, 2010; or

(2) one and two-tenths percent (1.2%), after December 31, 2009;

until it has been subject to this article throughout the thirty-six (36) consecutive calendar months immediately preceding the computation date.

~~(e)~~ **(f)** On the computation date every employer who had taxable wages in the previous calendar year shall have the employer's experience account charged with the amount determined under the following formula:

STEP ONE: Divide:

(A) the employer's taxable wages for the preceding calendar year; by

(B) the total taxable wages for the preceding calendar year.

STEP TWO: Multiply the quotient determined under STEP ONE by the total amount of benefits charged to the fund under section 1 of this chapter.

~~(f)~~ **(g)** One (1) percentage point of the rate imposed under subsection (c) or the amount of the employer's payment that is attributable to the increase in the contribution rate, whichever is less, shall be imposed as a penalty that is due and shall be deposited upon collection into the special employment and training services fund

established under IC 22-4-25-1. The remainder of the contributions paid by an employer pursuant to the maximum rate shall be:

- (1) considered a contribution for the purposes of this article; and
- (2) deposited in the unemployment insurance benefit fund established under IC 22-4-26.

SECTION 6. IC 22-4-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The applicable schedule of rates for ~~the calendar year 1983 and thereafter years~~ **before January 1, 2010**, shall be determined by the ratio resulting when the balance in the fund as of the determination date is divided by the total payroll of all subject employers for the immediately preceding calendar year. Schedule A, B, C, or D, appearing on the line opposite the fund ratio in the schedule below, shall be applicable in determining and assigning each employer's contribution rate for the calendar year immediately following the determination date. For the purposes of this subsection, "total payroll" means total remuneration reported by all contributing employers as required by this article and does not include the total payroll of any employer who elected to become liable for payments in lieu of contributions (as defined in IC 22-4-2-32). For the purposes of this subsection, "subject employers" means those employers who are subject to contribution.

FUND RATIO SCHEDULE

When the Fund Ratio Is:

	As Much As	But Less Than	Applicable Schedule
		1.0%	A
	1.0%	1.5%	B
	1.5%	2.25%	C
	2.25%		D

(b) ~~For calendar years before 2002, if the conditions and requirements of section 2 of this chapter are met, the rate of contributions shall be determined and assigned, with respect to each calendar year, to employers whose accounts have a credit balance and who are eligible therefor according to each employer's credit reserve ratio. Each employer shall be assigned the contribution rate appearing in the applicable schedule A, B, C, or D on the line opposite his credit reserve ratio as set forth in the rate schedule below:~~

RATE SCHEDULE FOR ACCOUNTS

1 WITH CREDIT BALANCES

2 When the Credit Reserve Ratio Is:

3	As	But	Rate Schedules				
4	Much	Less	(%)				
5	As	Than	A	B	C	D	E
6	3.0		1.2	0.2	0.2	0.2	0.15
7	2.8	3.0	1.4	0.4	0.2	0.2	0.15
8	2.6	2.8	1.6	0.6	0.2	0.2	0.15
9	2.4	2.6	1.8	0.8	0.4	0.2	0.2
10	2.2	2.4	2.0	1.0	0.6	0.2	0.2
11	2.0	2.2	2.2	1.2	0.8	0.4	0.4
12	1.8	2.0	2.4	1.4	1.0	0.6	0.6
13	1.6	1.8	2.6	1.6	1.2	0.8	0.8
14	1.4	1.6	2.8	1.8	1.4	1.0	1.0
15	1.2	1.4	3.0	2.0	1.6	1.2	1.2
16	1.0	1.2	3.2	2.2	1.8	1.4	1.4
17	0.8	1.0	3.4	2.4	2.0	1.6	1.6
18	0.6	0.8	3.6	2.6	2.2	1.8	1.8
19	0.4	0.6	3.8	2.8	2.4	2.0	2.0
20	0.2	0.4	4.0	3.0	2.6	2.2	2.2
21	0	0.2	4.2	3.2	2.8	2.4	2.4

22 (c) Each employer whose account as of any computation date
 23 occurring on and after June 30, 1984, shows a debit balance shall be
 24 assigned the rate of contributions appearing on the line opposite his
 25 debit ratio as set forth in the following rate schedule for accounts with
 26 debit balances:

27 RATE SCHEDULE FOR ACCOUNTS

28 WITH DEBIT BALANCES

29 When the Debit Reserve Ratio Is:

30	As	But	Rate Schedules				
31	Much	Less	(%)				
32	As	Than	A	B	C	D	E
33		1.5	4.5	4.4	4.3	4.2	3.6
34	1.5	3.0	4.8	4.7	4.6	4.5	3.8
35	3.0	4.5	5.1	5.0	4.9	4.8	4.1
36	4.5	6.0	5.4	5.3	5.2	5.1	4.4
37	6.0		5.7	5.6	5.5	5.4	5.4

38 (b) The applicable schedule of rates for calendar years after

December 31, 2009, shall be determined by the ratio resulting when the balance in the fund as of the determination date is divided by the total payroll of all subject employers for the immediately preceding calendar year. Except as provided in subsection (c), Schedules A through I appearing on the line opposite the fund ratio in the schedule below shall be applicable in determining and assigning each employer's contribution rate for the calendar year immediately following the determination date. For purposes of this subsection, "total payroll" means total remuneration reported by all contributing employers as required by this article and does not include the total payroll of any employer who elected to become liable for payments in lieu of contributions (as defined in IC 22-4-2-32). For purposes of this subsection, "subject employers" means those employers who are subject to contribution.

FUND RATIO SCHEDULE

When the Fund Ratio Is:

	As Much As	But Less Than	Applicable Schedule
		0.2%	A
	0.2%	0.4%	B
	0.4%	0.6%	C
	0.6%	0.8%	D
	0.8%	1.0%	E
	1.0%	1.2%	F
	1.2%	1.4%	G
	1.4%	1.6%	H
	1.6%		I

(c) If the balance in the fund as of the determination date in any calendar year is less than three hundred fifty million dollars (\$350,000,000), Schedule A shall apply in determining and assigning each employer's contribution rate for the calendar year immediately following the determination date.

(d) Any adjustment in the amount charged to any employer's experience account made subsequent to the assignment of rates of contributions for any calendar year shall not operate to alter the amount charged to the experience accounts of any other base-period employers.

SECTION 7. IC 22-4-11-3.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3.3. (a) For calendar

years after 2001 **and before 2010**, if the conditions of section 2 of this chapter are met, the rate of contributions shall be determined and assigned, with respect to each calendar year, to employers whose accounts have a credit balance and who are eligible therefore according to each employer's credit reserve ratio. Each employer shall be assigned the contribution rate appearing in the applicable schedule A, B, C, D, or E on the line opposite the employer's credit reserve ratio as set forth in the rate schedule below:

RATE SCHEDULE FOR ACCOUNTS
WITH CREDIT BALANCES

When the Credit Reserve Ratio Is:

As	But	Rate Schedules					
Much	Less	(%)					
As	Than	A	B	C	D	E	
3.00		1.10	0.10	0.10	0.10	0.15	
2.80	3.00	1.30	0.30	0.10	0.10	0.15	
2.60	2.80	1.50	0.50	0.10	0.10	0.15	
2.40	2.60	1.70	0.70	0.30	0.10	0.20	
2.20	2.40	1.90	0.90	0.50	0.10	0.20	
2.00	2.20	2.10	1.10	0.70	0.30	0.40	
1.80	2.00	2.30	1.30	0.90	0.50	0.60	
1.60	1.80	2.50	1.50	1.10	0.70	0.80	
1.40	1.60	2.70	1.70	1.30	0.90	1.00	
1.20	1.40	2.90	1.90	1.50	1.10	1.20	
1.00	1.20	3.10	2.10	1.70	1.30	1.40	
0.80	1.00	3.30	2.30	1.90	1.50	1.60	
0.60	0.80	3.50	2.50	2.10	1.70	1.80	
0.40	0.60	3.70	2.70	2.30	1.90	2.00	
0.20	0.40	3.90	2.90	2.50	2.10	2.20	
0.00	0.20	4.10	3.10	2.70	2.30	2.40	

(b) For calendar years after 2001 **and before 2010**, if the conditions of section 2 of this chapter are met, the rate of contributions shall be determined and assigned, with respect to each calendar year, to employers whose accounts have a debit balance and who are eligible therefore according to each employer's debit reserve ratio. Each employer shall be assigned the contribution rate appearing in the applicable schedule A, B, C, D, or E on the line opposite the employer's debit reserve ratio as set forth in the rate schedule below:

RATE SCHEDULE FOR ACCOUNTS WITH DEBIT BALANCES							
When the Debit Reserve Ratio Is:							
As	But	Rate Schedules					
Much	Less	(%)					
As	Than	A	B	C	D	E	
	1.50	4.40	4.30	4.20	4.10	5.40	
1.50	3.00	4.70	4.60	4.50	4.40	5.40	
3.00	4.50	5.00	4.90	4.70	4.70	5.40	
4.50	6.00	5.30	5.20	5.10	5.00	5.40	
6.00		5.60	5.50	5.40	5.40	5.40	
SECTION 8. IC 22-4-11-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3.5. (a) For calendar years after 2009, if the conditions of section 2 of this chapter are met, the rate of contributions shall be determined and assigned, with respect to each calendar year, to employers whose accounts have a credit balance and who are eligible therefore according to each employer's credit reserve ratio. Each employer shall be assigned the contribution rate appearing in the applicable schedule A through I on the line opposite the employer's credit reserve ratio as set forth in the rate schedule below:							

RATE SCHEDULE FOR ACCOUNTS WITH CREDIT BALANCES							
When the Credit Reserve Ratio Is:							
As	But	Rate Schedules					
Much	Less	(%)					
As	Than	A	B	C	D	E	
3.00		1.30	1.20	1.10	1.00	0.90	
2.80	3.00	1.60	1.50	1.40	1.30	1.20	
2.60	2.80	1.80	1.70	1.60	1.40	1.30	
2.40	2.60	2.00	1.90	1.70	1.60	1.50	
2.20	2.40	2.30	2.10	2.00	1.80	1.70	
2.00	2.20	2.50	2.30	2.20	2.00	1.80	
1.80	2.00	2.80	2.60	2.40	2.20	2.00	
1.60	1.80	3.00	2.80	2.60	2.40	2.20	
1.40	1.60	3.20	3.00	2.80	2.60	2.30	
1.20	1.40	3.50	3.30	3.00	2.80	2.60	

1	1.00	1.20	3.70	3.40	3.20	3.00	2.70
2	0.80	1.00	4.00	3.70	3.50	3.20	2.90
3	0.60	0.80	4.20	3.90	3.70	3.40	3.10
4	0.40	0.60	4.40	4.10	3.80	3.50	3.20
5	0.20	0.40	4.70	4.40	4.10	3.80	3.40
6	0.00	0.20	4.90	4.60	4.30	3.90	3.60

**RATE SCHEDULE FOR ACCOUNTS
WITH CREDIT BALANCES**

When the Credit Reserve Ratio Is:

10	As	But	Rate Schedules			
11	Much	Less	(%)			
12	As	Than	F	G	H	I
13	3.00		0.80	0.70	0.60	0.10
14	2.80	3.00	1.10	1.00	0.90	0.10
15	2.60	2.80	1.20	1.10	1.00	0.10
16	2.40	2.60	1.30	1.20	1.00	0.10
17	2.20	2.40	1.50	1.30	1.10	0.10
18	2.00	2.20	1.60	1.40	1.20	0.10
19	1.80	2.00	1.80	1.60	1.40	0.20
20	1.60	1.80	2.00	1.80	1.60	0.20
21	1.40	1.60	2.10	1.90	1.70	0.20
22	1.20	1.40	2.30	2.00	1.70	0.20
23	1.00	1.20	2.40	2.10	1.80	0.20
24	0.80	1.00	2.60	2.30	2.00	0.20
25	0.60	0.80	2.80	2.50	2.20	0.20
26	0.40	0.60	2.90	2.60	2.30	0.20
27	0.20	0.40	3.10	2.80	2.40	0.30
28	0.00	0.20	3.20	2.80	2.40	0.30

(b) For calendar years after 2009, if the conditions of section 2 of this chapter are met, the rate of contributions shall be determined and assigned, with respect to each calendar year, to employers whose accounts have a debit balance and who are eligible therefore according to each employer's debit reserve ratio. Each employer shall be assigned the contribution rate appearing in the applicable schedule A through I on the line opposite the employer's debit reserve ratio as set forth in the rate schedule below:

RATE SCHEDULE FOR ACCOUNTS

WITH DEBIT BALANCES

When the Debit Reserve Ratio Is:

As	But	Rate Schedules					
Much	Less	(%)					
As	Than	A	B	C	D	E	
0.00	1.50	5.30	4.90	4.60	4.20	3.90	
1.50	3.00	5.60	5.20	4.90	4.50	4.10	
3.00	4.50	6.00	5.60	5.20	4.80	4.40	
4.50	6.00	6.40	6.00	5.60	5.10	4.70	
6.00	8.00	6.70	6.20	5.80	5.40	4.90	
8.00	10.00	7.10	6.60	6.20	5.70	5.20	
10.00	12.00	7.40	6.90	6.40	5.90	5.40	
12.00	14.00	7.80	7.30	6.80	6.20	5.70	
14.00		8.20	7.60	7.10	6.60	6.00	

RATE SCHEDULE FOR ACCOUNTS

WITH DEBIT BALANCES

When the Debit Reserve Ratio Is:

As	But	Rate Schedules				
Much	Less	(%)				
As	Than	F	G	H	I	
0.00	1.50	3.50	3.10	2.70	0.30	
1.50	3.00	3.70	3.30	2.90	0.30	
3.00	4.50	4.00	3.60	3.10	0.30	
4.50	6.00	4.20	3.70	3.20	0.30	
6.00	8.00	4.40	3.90	3.40	0.40	
8.00	10.00	4.70	4.20	3.70	0.40	
10.00	12.00	4.90	4.40	3.80	0.40	
12.00	14.00	5.10	4.50	3.90	0.40	
14.00		5.40	4.80	4.20	0.50	

SECTION 9. IC 22-4-25-1, AS AMENDED BY P.L.138-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) There is created in the state treasury a special fund to be known as the special employment and training services fund. All interest on delinquent contributions and penalties collected under this article, together with any voluntary contributions tendered as a contribution to this fund, shall be paid into this fund. The money shall not be expended or available for expenditure in any manner which would permit their substitution for (or a corresponding

1 reduction in) federal funds which would in the absence of said money
2 be available to finance expenditures for the administration of this
3 article, but nothing in this section shall prevent said money from being
4 used as a revolving fund to cover expenditures necessary and proper
5 under the law for which federal funds have been duly requested but not
6 yet received, subject to the charging of such expenditures against such
7 funds when received. The money in this fund shall be used by the board
8 for the payment of refunds of interest on delinquent contributions and
9 penalties so collected, for the payment of costs of administration which
10 are found not to have been properly and validly chargeable against
11 federal grants or other funds received for or in the employment and
12 training services administration fund, on and after July 1, 1945. Such
13 money shall be available either to satisfy the obligations incurred by
14 the board directly, or by transfer by the board of the required amount
15 from the special employment and training services fund to the
16 employment and training services administration fund. The board shall
17 order the transfer of such funds or the payment of any such obligation
18 or expenditure and such funds shall be paid by the treasurer of state on
19 requisition drawn by the board directing the auditor of state to issue the
20 auditor's warrant therefor. Any such warrant shall be drawn by the state
21 auditor based upon vouchers certified by the board or the
22 commissioner. The money in this fund is hereby specifically made
23 available to replace within a reasonable time any money received by
24 this state pursuant to 42 U.S.C. 502, as amended, which, because of
25 any action or contingency, has been lost or has been expended for
26 purposes other than or in amounts in excess of those approved by the
27 bureau of employment security. The money in this fund shall be
28 continuously available to the board for expenditures in accordance with
29 the provisions of this section and shall not lapse at any time or be
30 transferred to any other fund, except as provided in this article. Nothing
31 in this section shall be construed to limit, alter, or amend the liability
32 of the state assumed and created by IC 22-4-28, or to change the
33 procedure prescribed in IC 22-4-28 for the satisfaction of such liability,
34 except to the extent that such liability may be satisfied by and out of the
35 funds of such special employment and training services fund created
36 by this section.

37 (b) Whenever the balance in the special employment and training
38 services fund is ~~deemed excessive by the board;~~ **exceeds ten million**

dollars (\$10,000,000), the board shall order payment of the amount that exceeds ten million dollars (\$10,000,000) into the unemployment insurance benefit fund. of the amount of the special employment and training services fund deemed to be excessive.

(c) Subject to the approval of the board and the availability of funds, on July 1, 2008, and each subsequent July 1, the commissioner shall release:

(1) one million dollars (\$1,000,000) to the state educational institution established under IC 21-25-2-1 for training provided to participants in apprenticeship programs approved by the United States Department of Labor, Bureau of Apprenticeship and Training;

(2) four million dollars (\$4,000,000) to the state educational institution instituted and incorporated under IC 21-22-2-1 for training provided to participants in joint labor and management apprenticeship programs approved by the United States Department of Labor, Bureau of Apprenticeship and Training; and

(3) two hundred fifty thousand dollars (\$250,000) for journeyman upgrade training to each of the state educational institutions described in subdivisions (1) and (2).

Each state educational institution described in this subsection is entitled to keep ten percent (10%) of the funds released under this subsection for the payment of costs of administering the funds. On each June 30 following the release of the funds, any funds released under this subsection not used by the state educational institutions under this subsection shall be returned to the special employment and training services fund.

SECTION 10. IC 22-4-37-3, AS AMENDED BY P.L.108-2006, SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) Should:

(1) the Congress of the United States amend, repeal, or authorize the implementation of a demonstration project under 29 U.S.C. 49 et seq., 26 U.S.C. 3301 through 3311, 42 U.S.C. 301 et seq., or 26 U.S.C. 3101 through 3504, or any statute or statutes supplemental to or in lieu thereof or any part or parts of said statutes, or should any or all of said statutes or any part or parts thereof be held invalid, to the end and with such effect that appropriations of

1 funds by the said Congress and grants thereof to the state for the
 2 payment of costs of administration of the department are or no
 3 longer shall be available for such purposes;

4 (2) the primary responsibility for the administration of 26 U.S.C.
 5 3301 through 26 U.S.C. 3311 be transferred to the state as a
 6 demonstration project authorized by Congress; or

7 (3) employers in Indiana subject to the payment of tax under 26
 8 U.S.C. 3301 through 3311 be granted full credit upon such tax for
 9 contributions or taxes paid to the department;

10 then, beginning with the effective date of such change in liability for
 11 payment of such federal tax and for each year thereafter, the normal
 12 contribution rate under this article shall be established by the
 13 department and may not exceed three and one-half percent (3.5%) per
 14 year of each employer's payroll subject to contribution. With respect to
 15 each employer having a rate of contribution for such year pursuant to
 16 terms of IC 22-4-11-2(b)(2)(A), IC 22-4-11-2(b)(2)(B),
 17 IC 22-4-11-2(c), IC 22-4-11-3, IC 22-4-11-3.3, **IC 22-4-11-3.5**, and
 18 IC 22-4-11.5, to the rate of contribution, as determined for such year in
 19 which such change occurs, shall be added not more than eight-tenths
 20 percent (0.8%) as prescribed by the department.

21 (b) The amount of the excess of tax for which such employer is or
 22 may become liable by reason of this section over the amount which
 23 such employer would pay or become liable for except for the provisions
 24 of this section, together with any interest or earnings thereon, shall be
 25 paid and transferred into the employment and training services
 26 administration fund to be disbursed and paid out under the same
 27 conditions and for the same purposes as is other money provided to be
 28 paid into such fund. If the commissioner shall determine that as of
 29 January 1 of any year there is an excess in said fund over the money
 30 and funds required to be disbursed therefrom for the purposes thereof
 31 for such year, then and in such cases an amount equal to such excess,
 32 as determined by the commissioner, shall be transferred to and become
 33 part of the unemployment insurance benefit fund, and such funds shall
 34 be deemed to be and are hereby appropriated for the purposes set out
 35 in this section.

36 SECTION 11. IC 22-4-43 IS ADDED TO THE INDIANA CODE
 37 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2009]:

Chapter 43. Hoosier Workers First Training Program

Sec. 1. As used in this chapter, "fund" refers to the Hoosier Workers First training fund established by section 5 of this chapter.

Sec. 2. The Hoosier Workers First training program is established for the following purposes:

(1) To improve manufacturing productivity levels in Indiana.

(2) To enable firms to become competitive by making workers more productive through training.

(3) To create a competitive economy by creating and retaining jobs.

(4) To encourage the increased training necessary because of an aging workforce.

(5) To avoid potential payment of unemployment compensation by providing workers with enhanced job skills.

Sec. 3. The department shall administer the Hoosier Workers First training program.

Sec. 4. For each state fiscal year, the department shall prepare an annual report on the use of the fund as a part of the report required by IC 22-4-18-7.

Sec. 5. (a) The Hoosier Workers First training fund is established to do the following:

(1) Administer the costs of the Hoosier Workers First training program established by section 2 of this chapter.

(2) Undertake any program or activity that furthers the purposes of this chapter.

(b) The money in the fund shall be allocated to employers or consortiums for worker training grants that enable workers who reside in Indiana to obtain recognizable credentials or certifications and transferable employment skills that improve employer competitiveness.

(c) Special consideration shall be given to Ivy Tech Community College (as defined in IC 21-7-13-22) to be the provider of the training funded under this chapter whenever the state educational institution:

(1) meets the identified training needs of an employer or a consortium with an existing credentialing or certification program; and

- 1 (2) is the most cost effective provider.
- 2 (d) For the worker training grants described in subsection (b),
- 3 the department shall do the following:
- 4 (1) Provide grant applications to interested employers and
- 5 consortiums.
- 6 (2) Accept completed applications for the grants.
- 7 (3) Obtain all information necessary or appropriate to
- 8 determine whether an applicant qualifies for a grant,
- 9 including information concerning:
- 10 (A) the applicant;
- 11 (B) the training to be offered;
- 12 (C) the training provider; and
- 13 (D) the workers to be trained.
- 14 (4) Allocate the money in the fund in accordance with
- 15 subsections (b) and (c).
- 16 (e) The treasurer of state shall invest the money in the fund not
- 17 currently needed to meet the obligations of the fund in the same
- 18 manner as other public money may be invested.
- 19 (f) Money in the fund at the end of a state fiscal year does not
- 20 revert to the state general fund.
- 21 (g) The fund consists of the following:
- 22 (1) Appropriations from the general assembly.
- 23 (2) Earnings acquired through the use of money belonging to
- 24 the fund.
- 25 (3) Money deposited in the fund from any other source.
- 26 (h) Any balance in the fund does not lapse but is available
- 27 continuously to the department for expenditures for the program
- 28 established by this chapter.
- 29 SECTION 12. [EFFECTIVE JULY 1, 2009] (a) As used in this
- 30 SECTION, "department" refers to the department of workforce
- 31 development established by IC 22-4.1-2-1.
- 32 (b) As used in this SECTION, "fund" refers to the
- 33 unemployment insurance benefit fund established under
- 34 IC 22-4-26.
- 35 (c) As used in this SECTION, "committee" refers to the
- 36 unemployment insurance solvency advisory committee established
- 37 by IC 2-5-30-3, as added by this act.
- 38 (d) The commissioner of the department shall, not later than

- 1 sixty (60) days after the effective date of any economic stimulus
 2 package law enacted by the Congress of the United States:
- 3 (1) initiate changes to eligibility and other requirements of the
 4 state's existing unemployment insurance system in order for
 5 the state to qualify for the maximum amount available under
 6 the federal economic stimulus package law; and
- 7 (2) submit in an electronic format under IC 5-14-6 to the
 8 legislative council, the committee, the speaker of the house of
 9 representatives, and the president pro tempore of the senate
 10 a report that provides the following:
- 11 (A) Details of the commissioner's actions taken under
 12 subdivision (1).
- 13 (B) Recommendations for any legislation necessary to
 14 modify the state's unemployment insurance system in
 15 order for the state to qualify for amounts available under
 16 the federal economic stimulus package law.
- 17 (C) An analysis of the fiscal impact to the fund of:
- 18 (i) the commissioners' actions taken under subdivision
 19 (1); and
- 20 (ii) the legislation recommended under clause (B), if the
 21 legislation is enacted.
- 22 (e) This SECTION expires July 1, 2011.
 (Reference is to HB 1721 as introduced.)

and when so amended that said bill do pass.

Representative Niezgodski